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SUBJECT: STABILITY PACT FOR SOUTH EAST EUROPE PRESSING REGIONAL GOVERNMENTS TO ASSUME GREATER RESPONSIBILITY FOR REGIONAL COOPERATION

REF: 04 Skopje 2038

11. SUMMARY: The Stability Pact for South Eastern Europe's semi-annual Regional Table Meeting May 17-18 in Sofia pushed countries in South East Europe to make a greater political and resource commitment to the Pact's regional initiatives. The meeting was the first serious discussion countries have had about what they need to do to take over leadership of Stability Pact initiatives, rather than relying on donor countries to drive the reform agenda. Speakers from the EU and governments praised the progress made under the Pact's auspices, but argued for a clearer definition of goals over the year ahead. The countries of the region agreed to report back at the next Regional Table in November 2005 on which of the 25 Stability Pact initiatives are of greatest priority to them, so that the Pact can focus its resources. Key elements of the May 17 Working Table discussion included the problem of the brain drain from the region, regional infrastructure, and endorsement of the Pact's defense conversion initiative, which seeks to address the economic and social dimension of defense reforms in the region. Albania and Macedonia asked for the Pact to support them in arguing against the possible EU move to downgrade the priority of the European transport corridor VIII, running from Albania to the Black Sea. The Regional Table's oddest moment came toward the end when Russian representative Azimov, while expressing support for the Pact, lectured the hall against dictating to the region and asserted the role of "great Russia" in Europe. End Summary.

#### 12. Regional Table - Discussion of Regional Ownership

The Stability Pact's semi-annual meeting came at an important juncture, when progress in South East Europe, marked by Bulgarian and Romanian signing of EU accession treaties in April, had fostered donor interest in seeing a medium-term closure strategy for the Pact, which was established in June 1999 following the Kosovo air campaign. During the three working tables and the Regional Table meeting, Stability Pact Special Coordinator Erhard Busek conveyed a clear message that the Pact would have to recognize that it was never meant to be permanent and the countries of Southeast Europe needed to take over "regional ownership" and "regional leadership" of Pact initiatives. Busek, the European Commission, and several European states called for the South East Europe Cooperative Process (SEECp), currently chaired by Greece to lead the effort of the region to take over leadership of Pact initiatives. Among the donors, the United States, German and Swiss representatives stressed the need for the countries of the region to identify which initiatives were of sufficient priority that the countries were prepared to assume leadership. The Czech national coordinator stressed that new EU members had a lot of transitional experience to share with the region. The Greek representative, speaking as SEECp chair, confirmed Greece's commitment to the SEECp's evolving leadership role, although he signaled no additions to the basic direction continued by the previous chair, Romania. Since UNMIK/Kosovo is not even an observer to the SEECp, the United States noted the need to ensure that the move to regional ownership does not undermine the effort to increase the integration of UNMIK/Kosovo into Stability Pact initiatives. The countries of the region, led in particular by Serbia and Montenegro, pledged to work together and with the Pact, to identify priorities and possibilities for regional ownership in order to permit a more focused discussion on priorities at the key Regional Table meeting in Prague in mid-November 2005.

#### 13. Working Table I (Democracy and Human Rights):

WT I stresses regional cooperation with regard to local democracy and cross border cooperation, parliamentary cooperation, media reform, and will now address challenges involving the region's youth and education. On the latter, the Pact will focus on increasing awareness of EU education programs and available funds, youth activities and supporting science and research institutes. Cooperation with EU-member institutions and countries will be key to the effort to support science and research in the Balkans. The Gender Task Force described how it already exercises a degree of regional leadership, since countries of the region fund operating costs and set the reform agenda, although the

Task Force depends on donor funding of projects. The session confirmed the appointment of Radomir Diklic, founder of the independent Beta News agency in Serbia as the new chair of the media task force, and underscored the need to promote the economic viability of an independent press and media in the region.

#### 14. Working Table II (Economic Development):

In addition to the focus on regional infrastructure, the Table heard presentations on Stability Pact initiatives regarding "social cohesion," involving the range of issues not directly addressed by the *acquis communautaire* (health, labor policy, etc.) and on the link between foreign direct investment and job creation. On infrastructure, WT II chairman Saccomanni reported that some 45 of 54 projects (valued at euros 5.2 billion) under consideration were underway, and a further six are due to start before year's end. At the WT, and subsequently at the Regional Table, countries of the region, especially Albania and Macedonia, criticized the recommendation to the European Commission by the special high level group on transport links (chaired by former Commissioner de Palacio) that the SW to NE Corridor VIII from Albania to the Black Sea, would slip from the list of EU transportation priorities. The affected states recognized that the economics of the corridor lag those of other corridors (the main east-west routes linking Western Europe to Turkey and points east), but noted the political importance of the corridor to those countries' inclusion in an integrated Europe. The Stability Pact and the European Commission promised to convey Albanian and Macedonian concerns.

#### 15. Working Table III (Security Issues):

WT III highlighted the issue of regional defense conversion, and the mandate given the Stability Pact and the Regional Arms Control and Verification Center (RACVIAC) to work on the issue via regional working groups on officer retraining, base conversion, and defense industry, as well as looking at further activities to address excess weapons (including small arms and light weapons) and munitions. The Swiss-based NGO DCAF (Centre for Democratic Control of Armed Forces in Geneva) reported on its work on officer retraining, and expressed interest in working on the issue with the Pact. WT III Chairman Janez Premoze stressed the social and economic effects of defense reform, and the need for the defense conversion initiative to connect with other Pact efforts, especially with the range of economic development activities under WT II. WT III also discussed the Pact's refugee and migration initiative, which has moved to the leadership of the SEECP, and opened a new regional center in Skopje. The switch to regional leadership can be seen in the changed focus of this initiative, which now includes cooperation among regional consular officers to facilitate legitimate travel and combat human trafficking. Another initiative moving to the region is the Disaster Prevention and Preparedness Initiative (DPPI), which will transfer its secretariat to the region in order to facilitate cooperation among countries to prepare for cross-border disasters like seasonal wild fires, floods, and potential earthquakes.

#### 16. COMMENT: Pushing the SEE Region to Do More

One of the liveliest Stability Pact Regional Table meetings, the Sofia session placed the central themes of "regional ownership and regional leadership" squarely on the table. Special Coordinator Busek and Pact staff will focus their efforts over the next six months on working with regional governments to identify the constraints and possibilities that exist to move additional Stability Pact initiatives under the direct auspices of regional governments, which would require regional governments to provide greater support in terms of staff and funding, and leadership in setting the reform agenda. A clearer roadmap for the Pact's work for 2006 and into 2007 should emerge from this effort and allow a more refined vision to be reviewed in November in Prague. End Comment.